

Robust markets and regular growth

In 2001, the Energy Division's sales increased by 6.2% to 2.189 billion euros, continuing to grow at a regular pace throughout the year. Income from operations rose by 25% over 2000. This performance reflects the vitality of the energy markets, the dynamism of Nexans' commercial approach and the success of the restructuring efforts that have been undertaken in the last few years.



|| The strategy that we should follow today is simple: we should concentrate on being as

close as possible to our customers so as to achieve an optimal level of understanding of their needs, individual characteristics and constraints. Thanks to our research teams, we have the capacity to develop customized solutions to respond to precise needs. ||

*Yvon Raak
President, Energy Division*

GROWTH DRIVEN BY INFRASTRUCTURES

In the area of infrastructure, Nexans produces and installs cables and cabling systems essentially for power transmission and distribution utilities. In 2001, three strong trends contributed to the sales of this activity, which rose by 10.5% compared to 2000 and to the increase in its operating margin from 1.5% in 2000 to 3.4% in 2001.

Medium- and low-voltage networks strengthening

Nexans is the European leader in this market which has enjoyed steady growth rates. The major European power transmission and distribution utilities such as E.ON, Tractebel and EDF have placed a high level of orders for cables and accessories in order to bolster and increase the safety levels of their existing networks.



- No.1 worldwide for submarine power cables*
- No.1 European for equipment cables*
- No.2 worldwide for power cables*
- No.2 European for high- and medium-voltage power accessories*

Cross-border energy exchanges

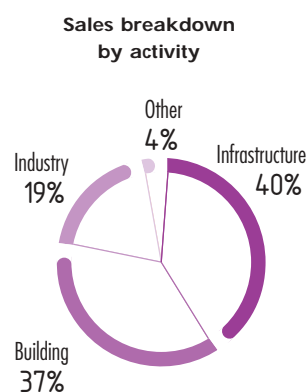
In a context of progressive market liberalization, electricity has become a tradable commodity and we have seen an increase in the number of exchanges between the major national grids, which in 2001 ordered substantial quantities of cables for long-distance aboveground and submarine power transmission. With a downsized industrial production base (two production plants rather

than six, four years ago), Nexans' high-voltage business has become profitable once again. **High levels of growth in the very promising market of umbilical cables** These cables, which can route power, data and fluids, are targeted at oil and gas producers. Nexans has increased its market share this year in this high value-added sector, in which it has a notable expertise in leading-edge, deep-sea technologies.

► Outlook for 2002

After three years of major restructuring, Nexans is now focusing its attention on four objectives for these infrastructure markets. It aims to: participate in the development of the major export markets and increase its foothold in the US market; remain a major player in the area of turnkey projects for submarine cables and expand its range of umbilical products; broaden its accessories activity; and prepare for its European customers' forays into international markets.

ENERGY: 49% OF THE GROUP'S ACTIVITIES



* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.

DID YOU KNOW?

In nuclear power plants, cables have to meet certain radiation resistance specifications throughout the entire life of a reactor. Thus safety also depends on Nexans...



March

NEXANS TAKES A CONTROLLING SHARE IN THE KOREAN COMPANY DAESUNG CABLE

With a consolidated turnover of 135 million dollars in 2000, Daesung Cable is the fourth-largest cable manufacturer in South Korea. By taking over Daesung Cable, Nexans has expanded its development strategy in the Asian market and has therefore doubled its presence in both Asian power and telecom cable markets.



June

SHANGHAI TRANSPRAPH PROJECT

Nexans has been awarded an order from ThyssenKrupp Transrapid GmbH for the supply and installation of the motor winding (longstator winding) for the Transrapid track to be set up in Shanghai. Amount of the contract: 20 million euros.



SUSTAINED REQUIREMENTS IN INDUSTRY

The cables that are sold to industry are essentially special cables targeted at industrial manufacturers and large-scale engineering projects, together with numerous applications (e.g. automotive, railway equipment, shipbuilding, aeronautics, etc). Sales in this segment rose by 1% with respect to 2000, whereas the operating margin decreased slightly from 3.4% in 2000 to 3.2% in 2001.

Within a diversified and fragmented market, Nexans has been able to resist the decline affecting industrial and mass retail products thanks to its sustained activity in niche sectors or product areas which require advanced technical skills: special heating cables for the petrochemicals industry, automotive harnesses, etc, in addition to a major order for the Shanghai Transrapid. In the automotive industry, the demand for turnkey

electrical bundled cable has been looking positive and the Group is now one of BMW's and Daimler Chrysler's major suppliers, for example; in the area of shipbuilding, Nexans has a leading position in the European market; and in the oil and gas industry, its order book for the year ahead is looking healthy.

► Outlook for 2002

In 2001, Nexans continued to streamline its industrial production base, particularly in Germany where the contraction of demand linked to the recession from the second quarter, cancelled out the positive impact of the improvement in existing commitments. In 2002, Nexans will concentrate its efforts on four objectives: continue to develop high value-added products (petrochemicals, automation, safety, etc); improve customer service and reduce the marketing period for new products; continue to specialize production plants; and increase the level of the Group's presence outside Europe.

July

NEXANS EQUIPS THE WORLD'S LARGEST SEA-BASED WINDMILL PARK

Nexans will deliver and install the most powerful AC cable in the world for Eltra, the Danish power transmission company based in the Jutland peninsula. This 150 kV, 21km long subsea power cable will directly link the wind turbines installed at sea to Eltra's terrestrial transmission grid. Nexans will also supply 63km 30kV XLPE (Cross Linked Polyethylene) cables. Amount of the contract: 20 million euros.



January 2002

SUPPLY OF HIGH-VOLTAGE POWER CABLES TO KUWAIT

Nexans has won a 24 million euros contract in Kuwait for the supply and installation of several underground 132-kV LPOF high-voltage cable links in Kuwait City. This contract was awarded by the MEW (Ministry of Electricity and Water) further to an international request for proposals.

NEXANS TO SUPPLY UMBILICAL CABLES TO NORSK HYDRO

Nexans has been awarded a contract by Norsk Hydro, of approximately 11 million euros for the supply of umbilical cables to the Fram Vest project in the North Sea. Nexans supplies Norsk Hydro with two static lengths of umbilical cable, a short 50 m cable that is to be laid between the wells on the Fram Vest field and a 25 km length that is to be laid back to the Troll C platform.



WIDE DISPARITIES IN BUILDING MARKETS

Nexans is No.1 European* for low-voltage electric cables dedicated to the building market. These cables are sold to generalist or specialist distributors, such as Sonepar, Rexel and Hagemeyer in Europe, Anixter and Graybar in the United States, or directly to installers. In 2001, this business' sales remained stable at 813 million euros, with an operating margin falling slightly from 4% to 3.6% in 2001. This relative

stability in overall volume terms conceals wide geographical disparities linked to the economic environment specific to each country in the building sector: difficult market conditions in Germany and France, but dynamic and healthy markets in Scandinavia, Canada and Greece.

► Outlook for 2002

Nexans will pursue four key objectives: reduce production and administrative costs and make customer deliveries on request, bolstering its logistical expertise; reduce the cost of materials used, thanks in particular to the production of innovative alloys and to the recycling of metals and plastics together with the optimal utilization of the Group's internal metallurgy production base; develop new products, particularly flame retardant and fire resistant cables, as well as ecological

products such as halogen-free and lead-free cables, in order to respect new national and European environmental standards; develop its marketing platform via electronic commerce.

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